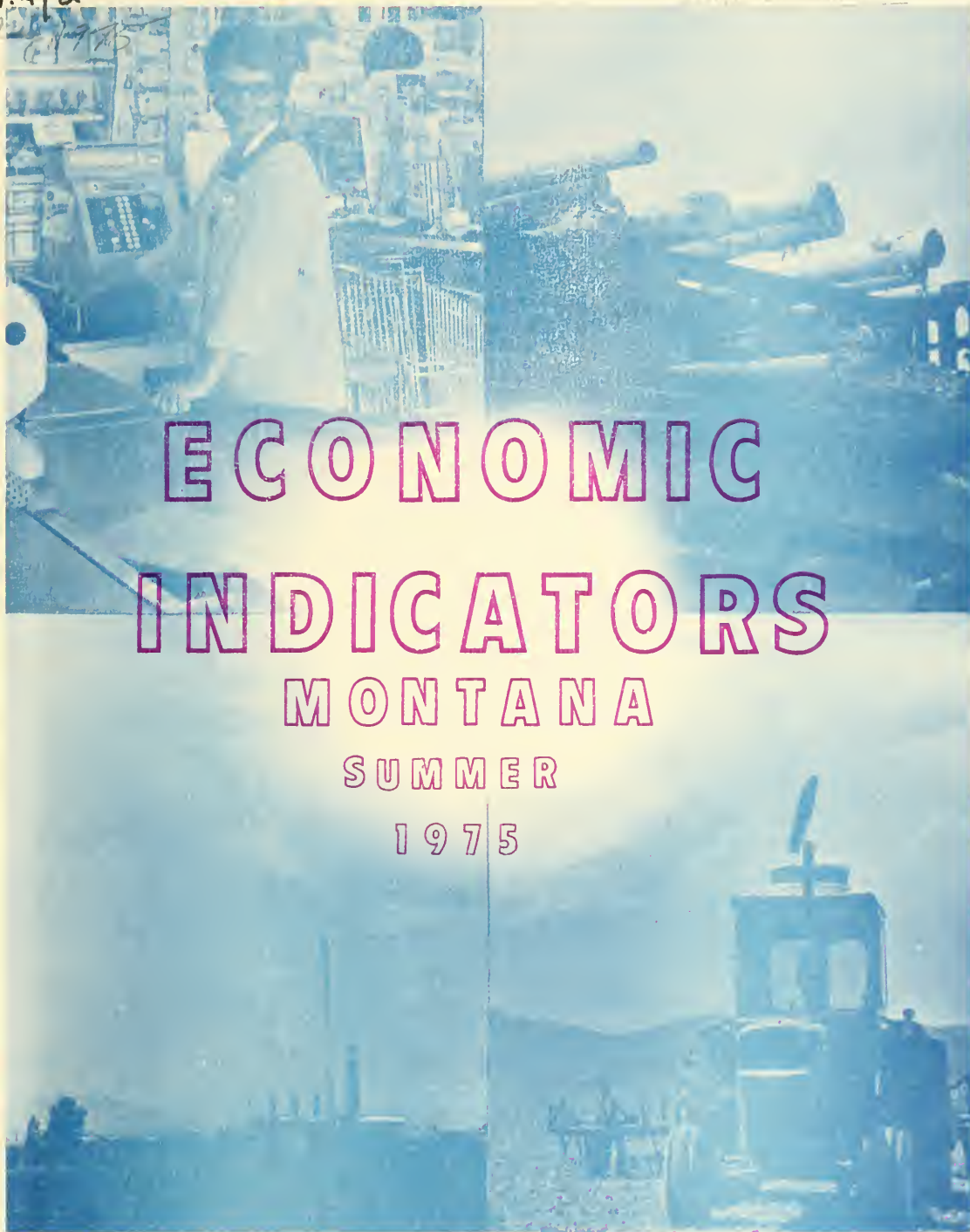


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ECONOMIC INDICATORS MONTANA SUMMER 1975



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ABOUT THE COVER

The cover pictures depict four of Montana's largest industries:
retail trade, lumber and wood products, mining, and agriculture.

Photographs by Jerry Eaton

MONTANA
ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

MONTANA STATE EMPLOYMENT SERVICE
EMPLOYMENT SECURITY DIVISION
DEPARTMENT OF LABOR AND INDUSTRY

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ACKNOWLEDGEMENTS

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Bonneville Power Administration

Montana Dakota Utilities

Montana Power Company

Pacific Power and Light

Mountain Bell Telephone Company

Employment, Hours and Earnings, and Labor

Turnover data produced in cooperation with

U. S. Department of Labor, Bureau of Labor

Statistics, and the Manpower Administration

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Despite several encouraging economic signs at the national level, Montana is still wading through a business recession. The extent of the current economic slump can be seen in the steep declines that have been recorded over the past several quarters for most of the leading, coinciding, and selected indicators of the state's economy. Sparked by layoffs in the manufacturing industries, unemployment continues to be unseasonably high. The construction, logging, and other seasonal industries that normally pick up some of the unemployment slack during this time of the year, have been, so far, overridden by the severity of the recession. The weather has also been a major hindrance to Montana's outdoor related employers, with way above average rainfall.

Montana's Coinciding Indicators, which best reflect our current economic condition, generally recorded declines during the second quarter of 1975. The seasonally adjusted unemployment rate for June was 9.7% up from the 7.2% recorded for June of last year. Manufacturing power sales were down 12.2% and commercial industrial power sales were down 46.2% on a seasonally adjusted basis. Bank debits for May were also down 28.7% from May of last year. The initial change in new car registrations, residential power sales, and manufacturing employment reflect stabilization in these areas of the state's economy.

The Leading Indicators continue to reveal a negative picture of Montana's near economic future. Initial claims for unemployment insurance for the month of June were up 56.4% from the same month a year ago. Manufacturing layoffs have been much higher and very erratic for the first six months of 1975 in comparison with the same period last year. In fact, seasonally adjusted June layoffs were up 20% from June of last year. The lower quit rate also reflects Montana's depressed labor market, as traditionally, voluntary job separations have been minimal during recessionary business cycles.

However, there were several bright spots in the leading indicators. New corporations for June were up 22.2%, and withdrawals and dissolutions of corporations were down 28.6%. At the same time, June building permits and residential building permits were up 37.5% and 50.3%, respectively. Despite the fact that the number of actual housing units started in the first five months of 1975 is still down 26% from last year, the building industry may have reached a turning point.

As expected, the composite and selected indicators also generally displayed negative trends. The composite index hit a new all-time low in the month of May, down 7.1% from May of last year. However, preliminary June data point to an upturn in the index, which would be the first positive movement of this year.

Montana's indicators for the second quarter of 1975 generally pointed to a continued recession. There were, however, several key indicators that recorded upturns. Whether this leads into a temporary seasonal uplift or the beginning of a real economic recovery will depend on several variables, including national economic and energy policies, future building activity, agricultural prices, as well as general consumer attitude.

MONTANA'S LUMBER AND WOOD PRODUCTS INDUSTRY, TODAY AND YESTERDAY:

One-fourth of Montana's land area is classified as forest. As such, the forest has provided not only scenic beauty, wildlife refuge, and recreational enjoyment, but also a major source of raw timber. Over 70% or 17,300 thousand acres of our forested land is classified as commercial, and with an estimated 85,700 million board feet of potential lumber, Montana has provided the natural resources on which the lumber and wood products industry has flourished.

Our present lumber and wood products industry originated in 1842, when a small community sawmill opened at St. Mary's Mission in the Bitterroot Valley. Later the industry expanded, as sawmills sprang up in various parts of the state to supply lumber to the fast growing mining towns, and to manufacture railroad ties, as the "iron horse" became a part of Montana's transportation industry. These sawmills were similar to some of the smaller firms today, in that they were very mobile, labor intensive operations, usually set up near the site of the timber falling.

The growth of the forest products industry during the first half of this century coincided with the national home building booms in 1912, 1922 to 1929, and 1946 to 1956. However, the building peak was reached during the post World War II era. At that time, timber resources were being depleted in other parts of the country. Montana and her sister states in the Rocky Mountain region hosted the last great residual stands of timber in the United States. Although Montana's timber was generally regarded as lower quality than the timber of her competitive neighbors in the Pacific Northwest, it was less expensive. As supplies became scarce and the demand grew for lumber in home building, the prices rose steadily. Several established lumber companies moved into Montana and employment increased by 36% from 1947 to 1956. The lumber and wood products industry became the economic lifeblood to

many of western Montana's communities.

A national recession ended the building boom in 1957. Demand slackened sharply and many of the under-capitalized firms were forced out of business. Employment dropped by a thousand workers between 1956 and 1957. In Flathead County alone, the number of mills dropped from 104 to 60.

Since the 1957 downturn, the lumber market, and consequently the lumber industry, has changed considerably. Except for stumpage prices, and several short boom periods such as 1972, the price of lumber has increased at a slow rate. Therefore, the companies have had to rely on increased technology, resource management, and product diversification, in order to increase profits. At the same time, it has tried to cut operating costs by stabilizing employment.

By 1962, Montana produced four times as much lumber as it did in 1939. The larger firms had expanded horizontally by building their own road systems, hiring their own log harvesting crews, and taking over the wholesaler's marketing and storage function. They employed more highly skilled, better paid workers than in years past. Most of the workers in the medium and larger firms were unionized.

In the area of product diversification, high speed stud mills have been developed making dimension cut lumber a profitable operation. Planing mills were built, and garage doors, windows, and many other wood products became a part of Montana's lumber and wood products industry. Because of price oriented pressure, plywood, particle board, and wood veneers became highly used products in residential construction as substitutes for regular softwood lumber. On-the-site chipping machines have been developed to transform wood waste into pulp for the making of paper.

Despite horizontal expansion, the basic logging and sawmill operations still occupy the bulk of Montana's forest products industry. Very little of Montana's raw timber

resources are exported out of the state. Instead the logs are processed in the state, and the finished lumber products are then shipped to various market areas. In March 1974, there were 310 firms and about 1,600 employees working in the logging business and 120 firms with 5,300 employees engaged in primary sawmill manufacturing.

The forest products industry employed an average 9,300 Montana workers in 1974. This amounted to 38% of the state's total manufacturing employment, or about 3% of the total state employment. However, these figures can be misleading, since the lumber industry is mainly concentrated in the large milling centers of Kalispell, Columbia Falls, Whitefish, Missoula, Libby, Troy and the smaller centers of Bozeman, White Sulphur Springs, St. Regis, and Lincoln. In fact, Flathead, Mineral, Missoula, Sanders, Lake and Lincoln counties represented 66% of the total wood product industry's employment, and 61% of the total number of firms in the industry. In a 1972 study, it was estimated that the forest products industry was either directly or indirectly responsible for 51% of western Montana's employment and 11% of the state's total employment.

Because of the wood products industry's dependence on both the business cycle and the building cycle, it has had frequent downturns, such as the one experienced last winter. However, it still remains as one of Montana's primary industries.

WHOLESALE PRICE INDEXES*

1967 = 100

| <u>Year</u> | <u>Lumber and Wood Products</u> | <u>Metals and Metal Products</u> | <u>Building Brick</u> |
|-------------|-------------------------------------|--------------------------------------|-----------------------|
| 1944 | 40.6 | 40.0 | --- |
| 1954 | 92.6 | 76.9 | 78.1 |
| 1964 | 95.4 | 93.8 | 94.4 |
| 1965 | 95.9 | 96.4 | 95.6 |
| 1966 | 100.2 | 98.8 | 98.3 |
| 1967 | 100.0 | 100.0 | 100.0 |
| 1968 | 113.3 | 102.6 | 103.4 |
| 1969 | 125.3 | 108.5 | 107.8 |
| 1970 | 113.7 | 116.7 | 112.2 |
| 1971 | 127.0 | 119.0 | 117.4 |
| 1972 | 144.3 | 123.5 | 122.1 |

* Source: *"The Outlook for Timber in the United States" October 1973.*
U. S. Department of Agriculture, Page 334, Table 4.

| | Quit Rate (Per 100 Employees) | | New Hires Rate (Per 100 Employees) | | Layoff Rate (Per 100 Employees) | | Accessions Rate (Per 100 Employees) | | Average Weekly Hours | |
|------|----------------------------------|-----|--|-----|------------------------------------|-----|---|-----|----------------------------|------|
| | U*ADJ | ADJ | U*ADJ | ADJ | U*ADJ | ADJ | U*ADJ | ADJ | U*ADJ | ADJ |
| 1973 | | | | | | | | | | |
| Jan. | 1.6 | 2.4 | 2.6 | 3.9 | 1.0 | 1.1 | 2.6 | 3.8 | 40.3 | 40.3 |
| Feb. | 1.4 | 2.5 | 1.9 | 3.5 | 0.7 | 0.9 | 2.3 | 4.0 | 40.3 | 40.6 |
| Mar. | 1.7 | 2.2 | 2.6 | 3.4 | 3.1 | 1.7 | 3.1 | 3.7 | 40.8 | 40.9 |
| Apr. | 1.9 | 2.1 | 3.3 | 3.2 | 1.1 | 1.4 | 3.9 | 3.6 | 40.3 | 40.8 |
| May | 2.4 | 2.2 | 4.5 | 3.6 | 0.7 | 1.4 | 5.4 | 4.1 | 39.9 | 40.1 |
| Jun. | 2.3 | 2.4 | 5.5 | 3.0 | 0.5 | 0.9 | 6.4 | 3.8 | 40.5 | 40.7 |
| Jul. | 2.4 | 2.8 | 3.8 | 3.1 | 0.7 | 1.0 | 4.2 | 3.4 | 37.3 | 37.6 |
| Aug. | 3.1 | 2.2 | 3.7 | 3.3 | 1.5 | 1.2 | 4.2 | 3.9 | 39.8 | 39.3 |
| Sep. | 3.8 | 1.7 | 4.0 | 3.1 | 1.2 | 1.1 | 4.4 | 3.6 | 40.8 | 40.2 |
| Oct. | 2.7 | 2.2 | 3.7 | 3.0 | 1.5 | 1.2 | 4.3 | 3.8 | 40.8 | 39.9 |
| Nov. | 1.6 | 2.3 | 2.8 | 5.6 | 1.0 | 0.9 | 3.3 | 6.2 | 38.9 | 39.2 |
| Dec. | 1.5 | 2.5 | 1.7 | 3.5 | 1.4 | 1.2 | 2.2 | 4.0 | 40.2 | 40.3 |
| 1974 | | | | | | | | | | |
| Jan. | 1.5 | 2.3 | 3.1 | 4.7 | 1.1 | 1.2 | 3.9 | 5.6 | 39.5 | 39.5 |
| Feb. | 1.3 | 2.3 | 1.7 | 3.1 | 0.7 | 0.9 | 2.4 | 4.2 | 38.5 | 38.8 |
| Mar. | 1.4 | 1.8 | 2.5 | 3.2 | 2.1 | 1.1 | 3.6 | 4.3 | 38.0 | 38.1 |
| Apr. | 2.2 | 2.5 | 2.9 | 2.8 | 1.7 | 2.2 | 3.8 | 3.5 | 37.8 | 38.3 |
| May | 2.4 | 2.2 | 4.4 | 3.5 | 0.5 | 1.0 | 5.2 | 3.9 | 38.6 | 38.8 |
| Jun. | 2.4 | 2.5 | 5.2 | 2.8 | 0.3 | 0.5 | 6.7 | 3.9 | 38.1 | 38.3 |
| Jul. | 2.5 | 3.0 | 4.4 | 3.5 | 0.4 | 0.6 | 5.4 | 4.3 | 37.5 | 37.8 |
| Aug. | 3.4 | 2.4 | 3.4 | 3.0 | 1.9 | 1.5 | 3.8 | 3.5 | 38.8 | 38.3 |
| Sep. | 3.2 | 1.4 | 2.8 | 2.2 | 2.6 | 2.3 | 3.4 | 2.8 | 38.1 | 37.5 |
| Oct. | 1.5 | 1.2 | 2.6 | 2.1 | 2.9 | 2.4 | 3.5 | 3.1 | 38.1 | 37.2 |
| Nov. | 0.9 | 1.3 | 1.3 | 2.6 | 2.2 | 1.9 | 1.9 | 3.6 | 36.6 | 36.7 |
| Dec. | 0.8 | 1.3 | 1.2 | 2.5 | 2.2 | 1.9 | 2.0 | 3.6 | 37.0 | 37.1 |
| 1975 | | | | | | | | | | |
| Jan. | 1.0 | 1.5 | 0.7 | 1.1 | 3.6 | 4.0 | 2.4 | 3.5 | 37.2 | 37.2 |
| Feb. | 0.7 | 1.2 | 0.9 | 1.6 | 2.3 | 2.8 | 2.0 | 3.5 | 36.3 | 36.6 |
| Mar. | 1.1 | 1.4 | 1.7 | 2.2 | 1.8 | 1.0 | 2.6 | 3.1 | 35.8 | 35.9 |
| Apr. | 1.2 | 1.3 | 1.7 | 1.6 | 0.6 | 0.8 | 3.0 | 2.8 | 35.1 | 35.6 |
| May | 1.6 | 1.5 | 3.4 | 2.7 | 2.2 | 4.4 | 4.9 | 3.7 | 35.9 | 36.0 |
| Jun. | 2.3 | 2.4 | 4.8 | 2.6 | .5 | .9 | 7.4 | 4.3 | | |
| Jul. | | | | | | | | | | |
| Aug. | | | | | | | | | | |
| Sep. | | | | | | | | | | |
| Oct. | | | | | | | | | | |
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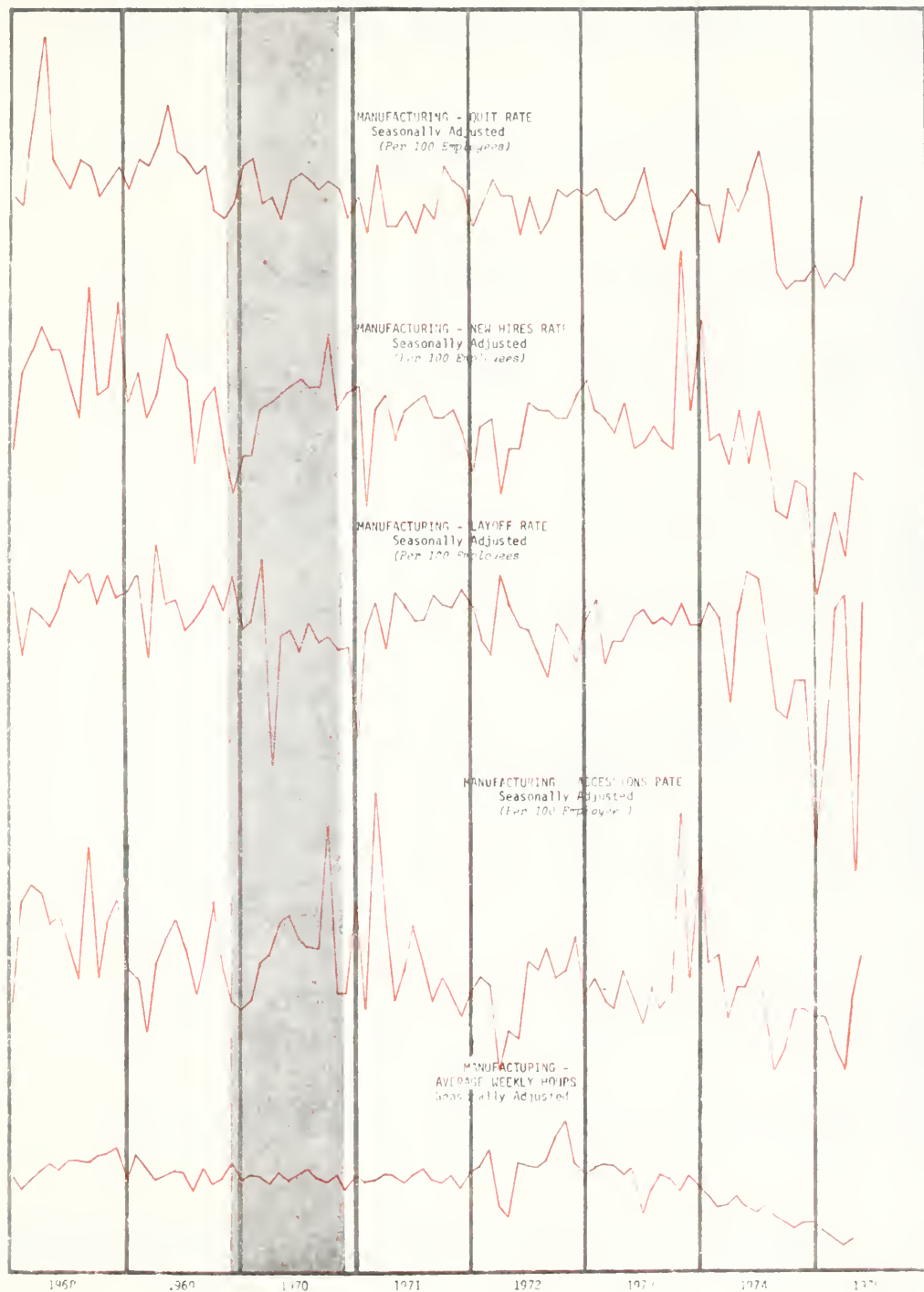
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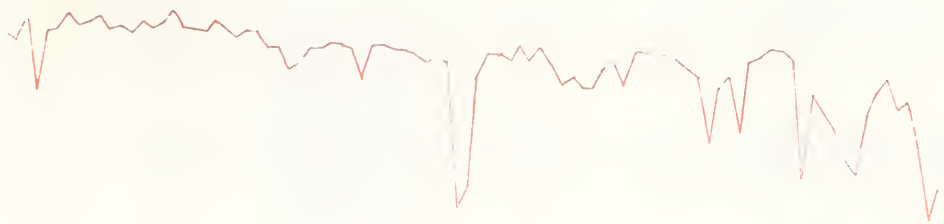
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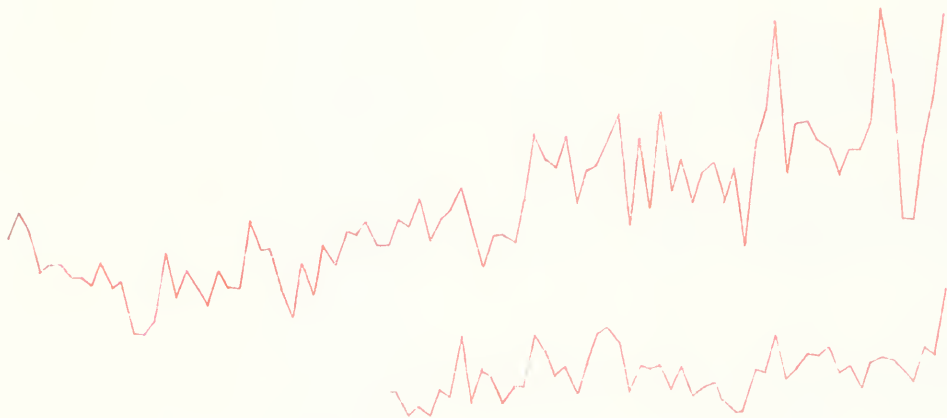




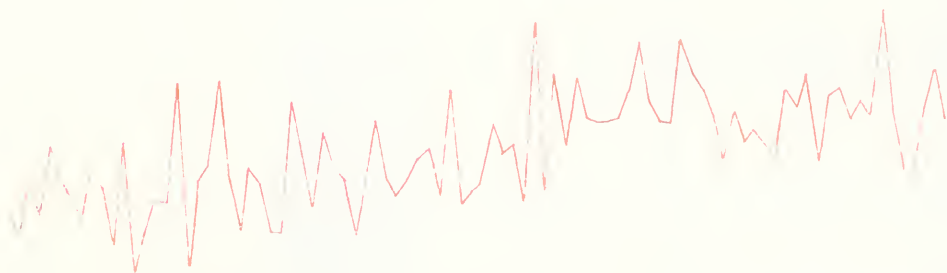
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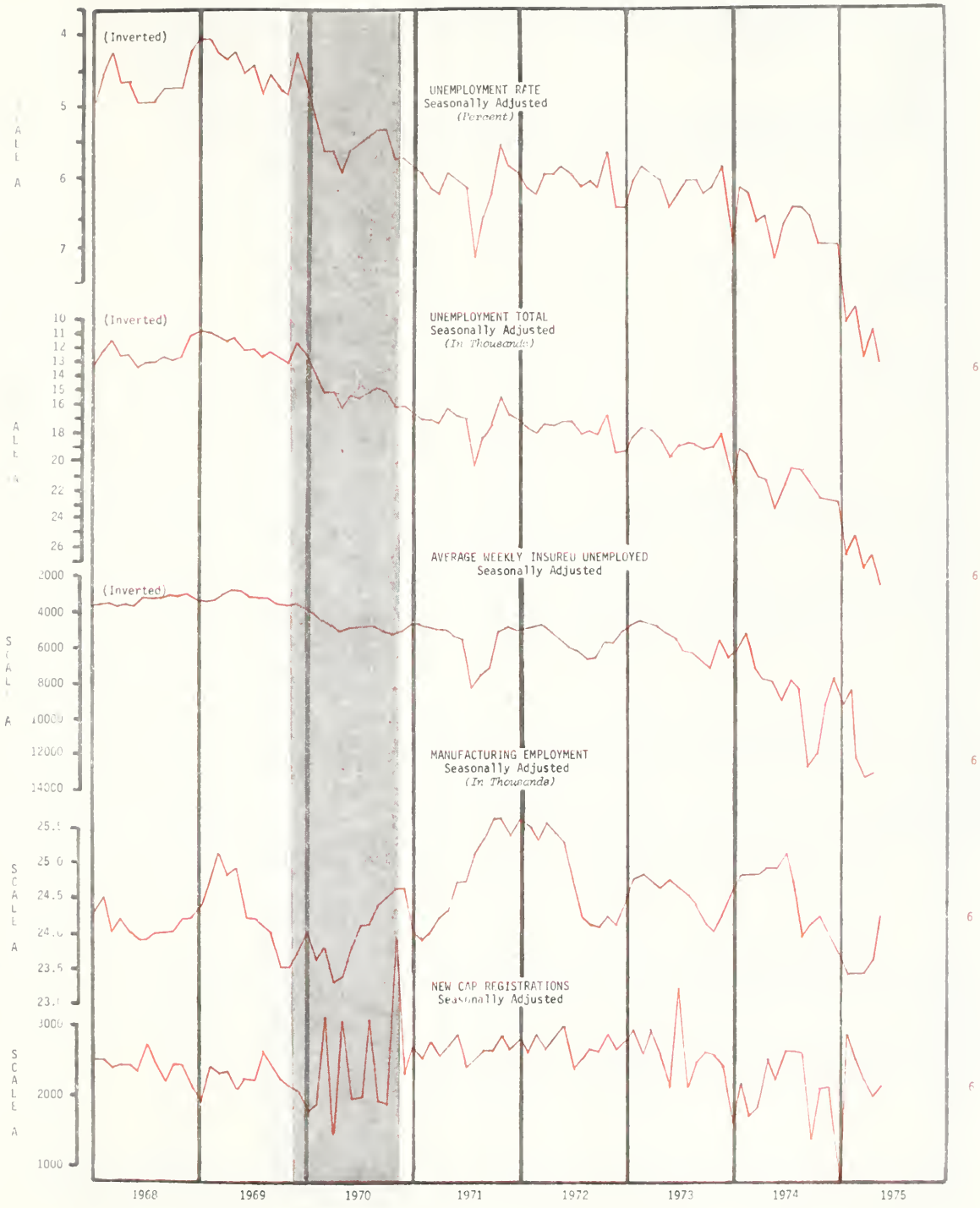


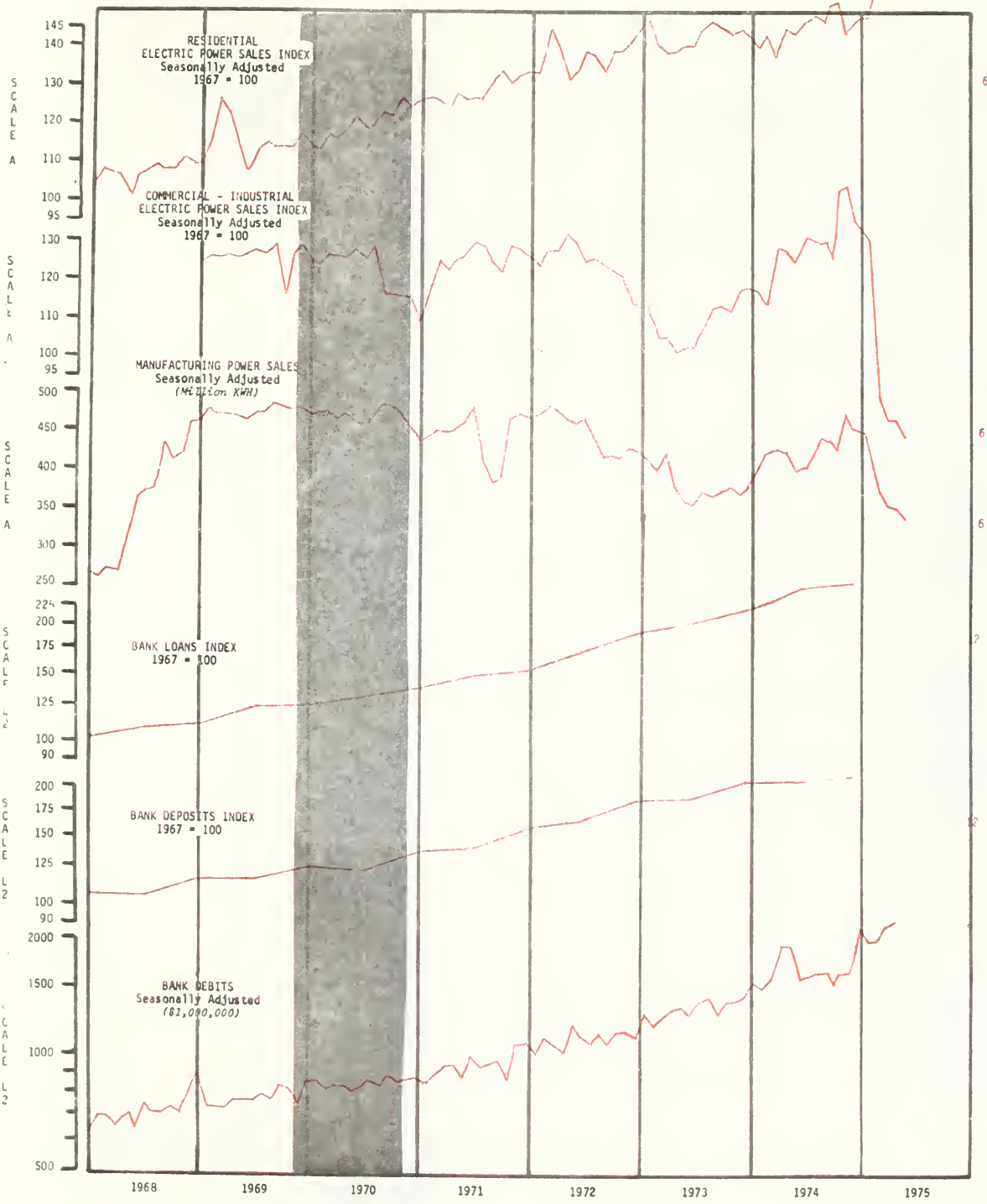
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Employment -
Lumber and
Wood Products
(thousands)

Nonagricultural
Employment Index**

Farmers
Parity
Ratio*

Natural Gas
Withdrawals
(million cu. ft.)

Oil and
Gas Wells
Completed

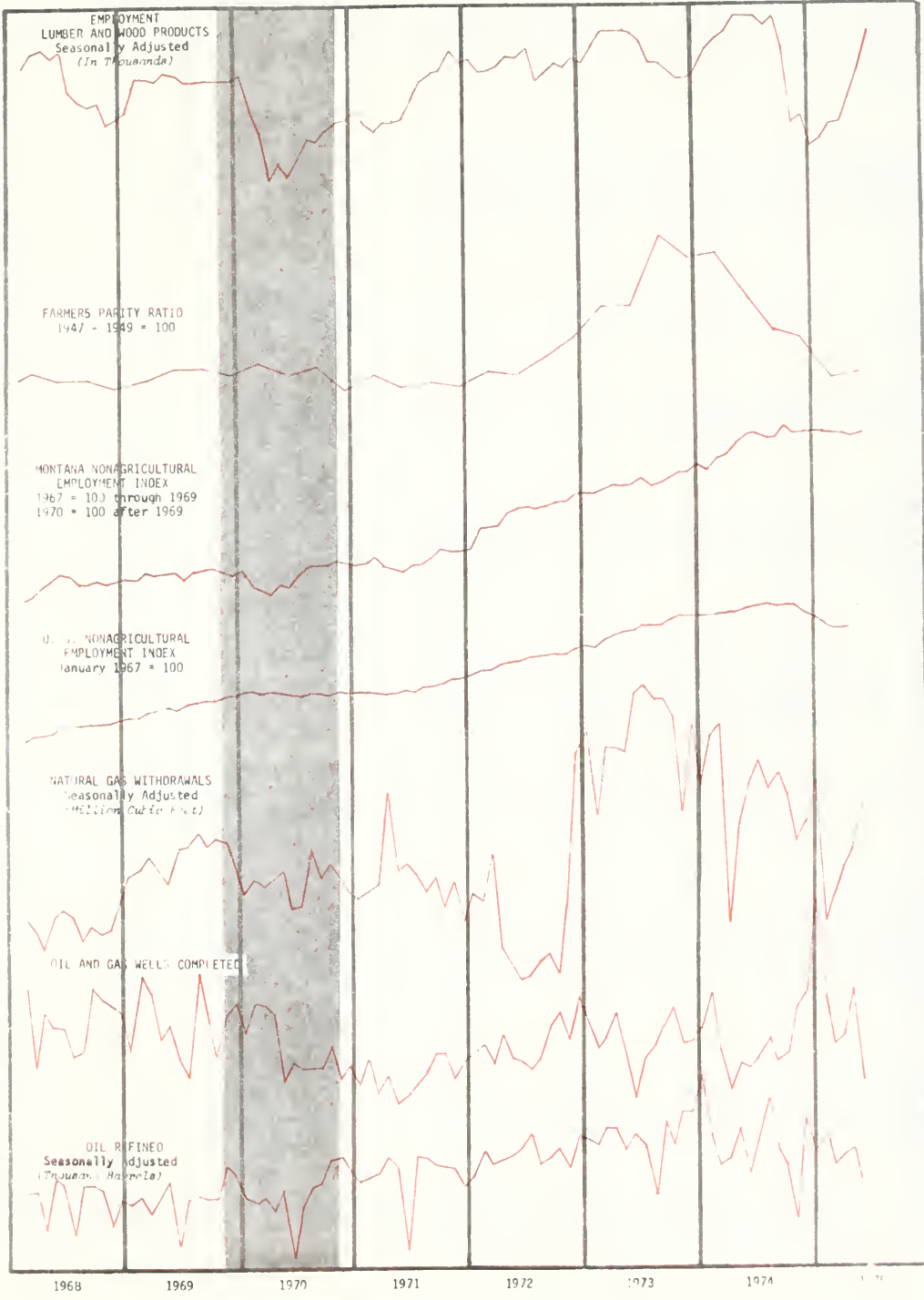
Oil Refined
(thousand barrels)

| | Employment - Lumber and Wood Products | | Farmers Parity Ratio* | Nonagricultural Employment Index** | | Natural Gas Withdrawals (million cu. ft.) | | Oil and Gas Wells Completed | Oil Refined (thousand barrels) | |
|------|---|-----|-----------------------------|---------------------------------------|-------|---|-------|-----------------------------------|-----------------------------------|-------|
| | UNADJ | ADJ | | MONTANA | U. S. | UNADJ | ADJ | | UNADJ | ADJ |
| 1973 | | | | | | | | | | |
| Jan. | 9.1 | 9.4 | | 110.6 | 112.2 | 6,323 | 3,947 | 54 | 4,107 | 4,128 |
| Feb. | 9.3 | 9.6 | | 111.0 | 113.1 | 6,136 | 4,820 | 61 | 4,103 | 4,356 |
| Mar. | 9.1 | 9.6 | 73 | 111.7 | 113.9 | 5,800 | 4,805 | 77 | 4,337 | 4,354 |
| Apr. | 8.7 | 9.6 | | 111.5 | 114.1 | 4,463 | 4,798 | 45 | 3,500 | 4,060 |
| May | 9.2 | 9.6 | | 111.6 | 114.3 | 4,248 | 5,568 | 23 | 4,302 | 4,276 |
| Jun. | 9.8 | 9.5 | 73 | 112.5 | 115.0 | 3,931 | 5,673 | 48 | 4,090 | 4,106 |
| Jul. | 9.7 | 9.2 | | 111.4 | 115.0 | 3,888 | 5,460 | 56 | 3,736 | 3,495 |
| Aug. | 9.7 | 9.2 | | 111.9 | 115.0 | 3,805 | 5,432 | 69 | 4,835 | 4,428 |
| Sep. | 9.6 | 9.1 | 95 | 112.5 | 115.9 | 3,767 | 5,175 | 76 | 4,319 | 4,141 |
| Oct. | 9.3 | 9.0 | | 113.2 | 116.5 | 3,726 | 3,994 | 57 | 4,505 | 4,555 |
| Nov. | 9.2 | 9.0 | | 113.2 | 116.4 | 5,405 | 5,123 | 59 | 4,368 | 4,545 |
| Dec. | 9.1 | 9.1 | 86 | 114.1 | 116.3 | 6,213 | 4,397 | 68 | 5,264 | 5,018 |
| 1974 | | | | | | | | | | |
| Jan. | 9.1 | 9.4 | | 113.7 | 116.3 | 7,899 | 4,931 | 91 | 4,205 | 4,226 |
| Feb. | 9.2 | 9.5 | | 115.0 | 116.3 | 6,503 | 5,108 | 53 | 3,644 | 3,868 |
| Mar. | 9.1 | 9.6 | 84 | 115.6 | 116.4 | 3,029 | 2,509 | 28 | 3,922 | 3,938 |
| Apr. | 8.9 | 9.8 | | 117.0 | 116.6 | 3,571 | 3,840 | 44 | 3,751 | 4,352 |
| May | 9.4 | 9.8 | | 118.0 | 117.1 | 3,340 | 4,378 | 37 | 3,785 | 3,762 |
| Jun. | 10.2 | 9.8 | 67 | 118.3 | 117.3 | 3,192 | 4,607 | 42 | 4,252 | 4,235 |
| Jul. | 10.2 | 9.7 | | 117.7 | 117.6 | 3,052 | 4,287 | 61 | 4,398 | 4,701 |
| Aug. | 10.3 | 9.8 | | 117.9 | 117.4 | 3,100 | 4,468 | 47 | 4,416 | 4,044 |
| Sep. | 9.9 | 9.4 | 67 | 119.4 | 117.6 | 3,079 | 4,230 | 50 | 4,020 | 3,854 |
| Oct. | 8.7 | 8.4 | | 118.4 | 117.5 | 3,345 | 3,585 | 81 | 3,112 | 3,147 |
| Nov. | 8.7 | 8.5 | | 118.6 | 116.7 | 4,091 | 3,878 | 91 | 4,322 | 4,497 |
| Dec. | 8.1 | 8.1 | 65 | 118.8 | 116.1 | 6,190 | 4,381 | 153 | 4,225 | 4,028 |
| 1975 | | | | | | | | | | |
| Jan. | 7.9 | 8.2 | | 118.7 | 115.1 | 4,096 | 2,557 | 88 | 4,269 | 4,290 |
| Feb. | 8.1 | 8.4 | | 118.2 | 114.4 | 3,605 | 2,832 | 55 | 3,610 | 3,832 |
| Mar. | 8.0 | 8.4 | 55 | 118.2 | 114.6 | 3,914 | 3,243 | 61 | 3,969 | 3,985 |
| Apr. | 7.9 | 8.7 | | 117.9 | 114.7 | 3,199 | 3,440 | 92 | 3,506 | 4,067 |
| May | 8.7 | 9.1 | | 118.1 | | 3,118 | 4,087 | 32 | 3,547 | 3,526 |
| Jun. | 8.7 | 9.1 | 56 | | | | | | | |
| Jul. | 9.9 | 9.6 | | | | | | | | |
| Aug. | | | | | | | | | | |
| Sep. | | | | | | | | | | |
| Oct. | | | | | | | | | | |
| Nov. | | | | | | | | | | |
| Dec. | | | | | | | | | | |

* 1947 - 1949 = 100

** MONTANA: 1967 = 100 through 1970; 1970 = 100 through 1972.

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| | MONTANA Composite Index 1967 = 100 | Marginal Employment Adjustments Index 1967 = 100 | Taxable Gallons Gasoline | | Oil Production (Thousands Barrels) | Telephones Main Station Gains Business | | Gross Average Weekly Earnings | Average Weekly Spendable Earnings |
|------|---|--|-----------------------------|--------|---|--|-----|--|--|
| | | | U1ADJ | ADJ | | U1ADJ | ADJ | | |
| 1973 | | | | | | | | | |
| Jan. | 101.6 | 97.4 | 33,296 | 37,779 | 2,852 | 125 | 80 | \$130.32 | \$88.87 |
| Feb. | 101.5 | 97.3 | 25,844 | 37,908 | 2,664 | 148 | 143 | 131.77 | 89.02 |
| Mar. | 102.6 | 97.6 | 33,641 | 38,549 | 2,948 | 161 | 137 | 133.59 | 89.35 |
| Apr. | 101.3 | 97.3 | 34,229 | 37,610 | 2,793 | 183 | 99 | 135.05 | 89.52 |
| May | 101.1 | 97.0 | 39,481 | 39,165 | 2,982 | 325 | 164 | 137.25 | 90.25 |
| Jun. | 101.7 | 97.8 | 42,441 | 37,149 | 2,849 | 220 | 122 | 140.24 | 91.31 |
| Jul. | 99.6 | 95.2 | 50,043 | 38,099 | 2,872 | 172 | 114 | 142.86 | 92.54 |
| Aug. | 99.4 | 94.3 | 54,246 | 39,318 | 2,906 | 224 | 147 | 144.36 | 91.67 |
| Sep. | 99.9 | 96.3 | 39,701 | 37,684 | 2,853 | -74 | 50 | 145.73 | 92.17 |
| Oct. | 101.5 | 96.9 | 37,705 | 38,148 | 3,020 | 75 | 146 | 145.02 | 91.10 |
| Nov. | 100.1 | 97.3 | 39,508 | 37,848 | 2,896 | 26 | 204 | 143.50 | 99.54 |
| Dec. | 101.4 | 96.7 | 32,040 | 37,380 | 2,986 | 100 | 165 | 143.54 | 88.98 |
| 1974 | | | | | | | | | |
| Jan. | 102.7 | 96.3 | 29,558 | 37,645 | 2,907 | 221 | 174 | 143.47 | 88.29 |
| Feb. | 103.0 | 97.1 | 28,329 | 37,369 | 2,667 | 154 | 148 | 142.96 | 86.96 |
| Mar. | 101.4 | 96.4 | 31,589 | 36,440 | 3,028 | 122 | 102 | 145.20 | 87.04 |
| Apr. | 100.6 | 98.1 | 34,118 | 30,737 | 2,990 | 224 | 141 | 147.29 | 87.65 |
| May | 100.3 | 98.8 | 36,058 | 35,742 | 3,009 | 344 | 182 | 148.47 | 87.31 |
| Jun. | 101.6 | 96.9 | 41,047 | 35,755 | 2,839 | 342 | 244 | 152.21 | 88.35 |
| Jul. | 101.5 | 97.5 | 49,553 | 38,010 | 2,855 | 204 | 146 | 159.90 | 91.50 |
| Aug. | 99.4 | 99.1 | 49,938 | 35,010 | 2,882 | 41 | 78 | 159.84 | 90.31 |
| Sep. | 97.7 | 101.3 | 38,482 | 37,466 | 2,850 | 95 | 219 | 157.38 | 88.10 |
| Oct. | 94.3 | 101.5 | 39,202 | 39,645 | 2,911 | 83 | 156 | 157.75 | 87.46 |
| Nov. | 96.1 | 99.9 | 35,052 | 38,414 | 2,738 | 62 | 238 | 154.94 | 95.40 |
| Dec. | 96.9 | 99.4 | 35,294 | 40,706 | 2,844 | 10 | 75 | 154.28 | 84.52 |
| 1975 | | | | | | | | | |
| Jan. | 95.3 | 99.9 | 32,027 | 40,163 | 2,768 | 89 | 42 | 152.28 | 83.19 |
| Feb. | 93.5 | 100.6 | 28,261 | 37,276 | 2,548 | 64 | 58 | 152.80 | 82.90 |
| Mar. | 93.8 | 100.2 | 30,835 | 35,657 | 2,854 | 136 | 118 | 155.09 | 83.58 |
| Apr. | 93.5 | 101.4 | 32,217 | 35,618 | 2,701 | 82 | -1 | 154.22 | 82.77 |
| May | 93.2 | 102.7 | 38,603 | 38,256 | 2,767 | 188 | 26 | 157.24 | 85.48 |
| Jun. | | | | | | | | | |
| Jul. | | | | | | | | | |
| Aug. | | | | | | | | | |
| Sep. | | | | | | | | | |
| Oct. | | | | | | | | | |
| Nov. | | | | | | | | | |
| Dec. | | | | | | | | | |

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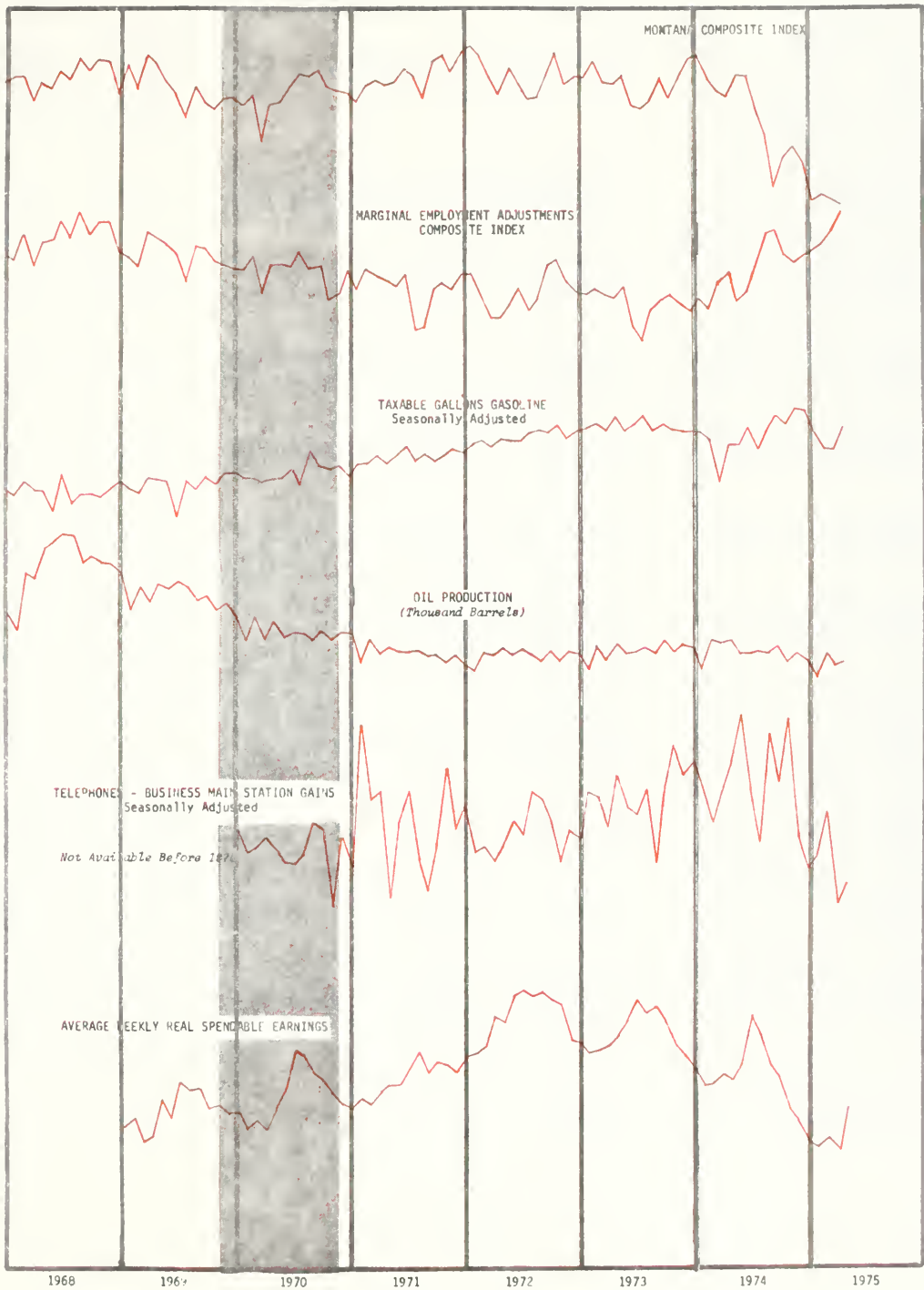
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| INDICATOR | | UNIT | MONTHLY DATA | | | PERCENT CHANGE | |
|---|--------------|------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | | | Latest Month 1975 | Last Month 1975 | Last Year 1974 | Last Month 1975 | Last Year 1974 |
| LEADING INDICATORS | | | | | | | |
| Initial Claims | | | | | | | |
| Seasonally Adjusted | Avg. No./Wk. | Jun: | 1,614 | 1,792 | 1,032 | -2.2 | 50.4 |
| Unadjusted | Avg. No./Wk. | Jun: | 1,059 | 1,057 | 677 | 0.2 | 50.4 |
| Nonagricultural Placements | | | | | | | |
| Seasonally Adjusted | Number | Jun: | 2,815 | 2,955 | 2,098 | -4.7 | -6.1 |
| Unadjusted | Number | Jun: | 3,476 | 3,428 | 3,713 | 1.4 | -6.4 |
| Total Building Permits | | | | | | | |
| Seasonally Adjusted | Number | Jun: | 539 | 445 | 392 | 21.1 | 37.1 |
| Unadjusted | Number | Jun: | 699 | 582 | 508 | 20.1 | 37.6 |
| Residential Building Permits | | | | | | | |
| Seasonally Adjusted | Number | Jun: | 216 | 138 | 139 | 50.5 | 55.1 |
| Unadjusted | Number | Jun: | 230 | 176 | 153 | 30.7 | 50.3 |
| Quit Rate | | | | | | | |
| Seasonally Adjusted | Rate/100 | Jun: | 2.4 | 1.5 | 2.5 | 60.7 | -4.7 |
| Unadjusted | Rate/100 | Jun: | 2.3 | 1.6 | 2.4 | 43.8 | -4.7 |
| New Hires Rate | | | | | | | |
| Seasonally Adjusted | Rate/100 | Jun: | 4.8 | 3.4 | 5.2 | 41.2 | -7.7 |
| Unadjusted | Rate/100 | Jun: | 2.6 | 2.7 | 2.8 | -3.7 | -7.1 |
| Layoff Rate | | | | | | | |
| Seasonally Adjusted | Rate/100 | Jun: | .9 | 4.4 | .5 | -72.5 | 80.0 |
| Unadjusted | Rate/100 | Jun: | .5 | 2.2 | .3 | -77.3 | 66.7 |
| Accession Rate | | | | | | | |
| Seasonally Adjusted | Rate/100 | Jun: | 4.3 | 3.7 | 3.9 | 10.0 | 12.3 |
| Unadjusted | Rate/100 | Jun: | 7.4 | 4.9 | 6.7 | 51.0 | 10.1 |
| Average Weekly Hours-Mfg. | | | | | | | |
| Seasonally Adjusted | Hours | May: | 36.0 | 35.6 | 38.8 | 1.1 | -7.0 |
| Unadjusted | Hours | May: | 35.9 | 35.1 | 38.6 | 2.3 | -7.0 |
| Business Main Gains | | | | | | | |
| Seasonally Adjusted | Number | Jun: | 26 | -1 | 244 | 2700.0 | -89.7 |
| Unadjusted | Number | Jun: | 188 | 82 | 342 | 122.3 | -45.0 |
| New Corporations | Number | Jun: | 132 | 161 | 108 | -22.0 | 22.0 |
| Withdrawals & Dissolutions of Corporations | Number | Jun: | 10 | 19 | 14 | -47.1 | -23.0 |

| INDICATOR | UNIT | MONTHLY DATA | | | PERCENT CHANGE | | |
|--|--------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-------|
| | | Latest Month 1975 | Last Month 1975 | Last Year 1974 | Last Month 1975 | Last Year 1974 | |
| COINCIDING INDICATORS | | | | | | | |
| Unemployment Rate | | | | | | | |
| Seasonally Adjusted | Percent | Jun: | 8.7 | 8.2 | 7.2 | 6.1 | 20.0 |
| Unadjusted | Percent | Jun: | 8.3 | 7.1 | 6.9 | 16.3 | 29.3 |
| Unemployment Total | | | | | | | |
| Seasonally Adjusted | Thousands | Jun: | 29.3 | 27.0 | 23.7 | 8.5 | 23.6 |
| Unadjusted | Thousands | Jun: | 29.6 | 23.7 | 24.0 | 24.9 | 23.3 |
| Insured Unemployed | | | | | | | |
| Seasonally Adjusted | Avg.Wkly No. | Jun: | 13,110 | 13,353 | 8,295 | -1.8 | 58.0 |
| Unadjusted | Avg.Wkly No. | Jun: | 8,430 | 10,669 | 5,342 | -21.0 | 57.8 |
| Manufacturing Employment | | | | | | | |
| Seasonally Adjusted | Thousands | Jun: | 24.1 | 23.5 | 25.0 | 2.6 | -3.6 |
| Unadjusted | Thousands | Jun: | 24.8 | 22.9 | 25.7 | 8.3 | -3.5 |
| New Car Registrations | | | | | | | |
| Seasonally Adjusted | Number | Jun: | 2,035 | 1,872 | 2,112 | 8.7 | -3.6 |
| Unadjusted | Number | Jun: | 2,080 | 1,999 | 2,158 | 4.1 | -3.6 |
| Residential Power Sales | | | | | | | |
| Seasonally Adjusted | Index | Jun: | 160.3 | 164.6 | 152.4 | -2.6 | 5.2 |
| Unadjusted | Index | Jun: | 139.0 | 155.5 | 132.1 | -10.6 | 5.2 |
| Manufacturing Power Sales | | | | | | | |
| Seasonally Adjusted | Million KWH | Jun: | 325.8 | 340.6 | 406.4 | -4.3 | -19.6 |
| Unadjusted | Million KWH | Jun: | 321.3 | 349.1 | 400.7 | -8.0 | -19.8 |
| Commercial - Industrial Power Sales | | | | | | | |
| Seasonally Adjusted | Index | Jun: | 70.2 | 75.4 | 130.4 | -6.9 | -46.2 |
| Unadjusted | Index | Jun: | 69.0 | 77.1 | 128.2 | -10.5 | -46.2 |
| Bank Loans | Index | 1974 Dec: | 240.8 | --- | 214.6 | --- | 12.2 |
| Bank Debits | | | | | | | |
| Seasonally Adjusted | \$1,000,000 | May: | 2,084.2 | 2,014.7 | 1,619.4 | 3.4 | 28.7 |
| Unadjusted | \$1,000,000 | May: | 1,986.2 | 1,932.1 | 1,635.6 | 2.8 | 21.4 |
| Bank Deposits | Index | 1974 Dec: | 214.3 | --- | 197.4 | --- | 8.6 |

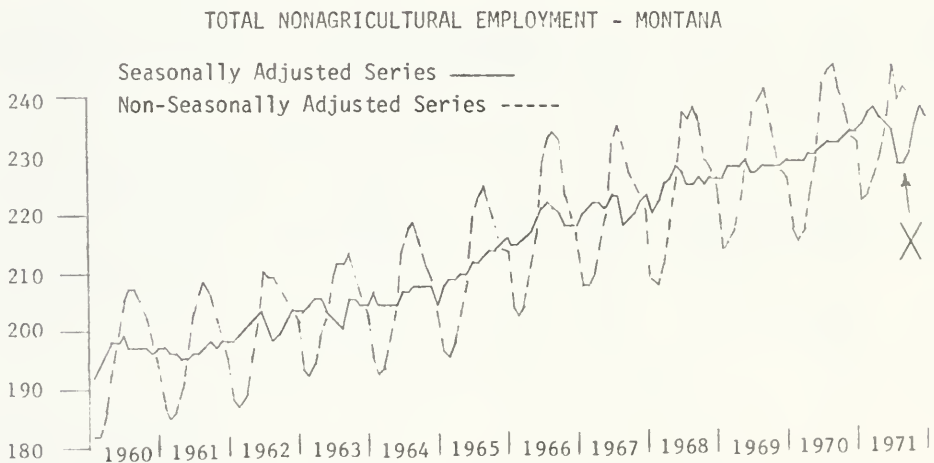
| INDICATOR | UNIT | MONTHLY DATA | | | PERCENT CHANGE | |
|---------------------------------------|------------|--------------|------------|-----------|----------------|-----------|
| | | Latest Month | Last Month | Last Year | Last Month | Last Year |
| | | 1975 | 1975 | 1974 | 1975 | 1974 |
| <u>SELECTED INDICATORS</u> | | | | | | |
| Employment - Lumber and Wood Products | | | | | | |
| Seasonally Adjusted | Thousands | Jun: 9.6 | 9.1 | 9.8 | 5.5 | -2.0 |
| Unadjusted | Thousand | Jun: 9.9 | 8.7 | 10.2 | 13.8 | -2.3 |
| Farmers Parity Ratio | Ratio | Jun: 56 | --- | 67 | --- | -16.4 |
| Montana Nonag. Employment | Index | May: 118.1 | 117.9 | 118.0 | .2 | .1 |
| U. S. Nonag. Employment | Index | Apr: 114.7 | 114.6 | 116.6 | .1 | -1.0 |
| Natural Gas Withdrawals | | | | | | |
| Seasonally Adjusted | Mil.Cu.Ft. | May: 4,087 | 3,440 | 4,378 | 18.8 | -6.0 |
| Unadjusted | Mil.Cu.Ft. | May: 3,118 | 3,199 | 3,340 | -2.5 | -6.6 |
| Oil & Gas Wells Completed | Number | May: 32 | 92 | 37 | -65.2 | -13.5 |
| Oil Refined | | | | | | |
| Seasonally Adjusted | Thous.BbIs | May: 3,526 | 4,067 | 3,762 | -13.3 | -6.6 |
| Unadjusted | Thous.BbIs | May: 3,547 | 3,506 | 3,785 | 1.2 | -6.5 |
| Oil Production | Thous.BbIs | May: 2,767 | 2,701 | 3,009 | 2.4 | -8.2 |
| Taxable Gallons Gasoline | | | | | | |
| Seasonally Adjusted | Gallons | May: 38,256 | 35,618 | 35,742 | 7.4 | 7.2 |
| Unadjusted | Gallons | May: 38,603 | 32,217 | 36,058 | 19.8 | 7.1 |
| Average Weekly Spendable Earnings | Dollars | May: 85.48 | 82.77 | 87.31 | 3.3 | -2.1 |
| <u>COMPOSITE INDICATORS</u> | | | | | | |
| Montana Composite Index | Index | May: 93.2 | 93.5 | 100.3 | -.3 | -7.7 |
| Marginal Employment Index | Index | May: 102.7 | 101.4 | 98.8 | 1.3 | 2.8 |

APPENDIX I

GLOSSARY

Seasonal Adjustment - A mathematical procedure in which certain monthly or yearly variations such as climate, holidays, vacation practices, etc., are removed from the statistics. The purpose of this is to simplify analysis over a long period of time and to highlight such non-seasonal occurrences as strikes, natural disasters, floods, earthquakes, etc.

Non-Seasonally Adjusted - or "raw" data will not always reflect such occurrences precisely because of seasonal influences. For example, the following chart is a graph of total nonagricultural employment for the State of Montana for the years 1960 to 1971.



Note the erratic nature of the non-adjusted data, and that a non-seasonal phenomena occurred in 1971 directly above the "X" mark. During this period a labor-management dispute occurred and the seasonally adjusted figures emphasize this point whereas the dispute is not readily apparent in the non-adjusted data. A word of caution is due at this point about non-adjusted and adjusted data. Adjusted data is not a "substitute" for actual data, and should in no way be used as such.

Economic Indicators - Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycle turns. Economic Indicators are used for the interpretation of current, and the anticipation of prospective, business conditions.

Leading Indicators - An economic series that tends to reverse direction sufficiently in advance of changes in total business activity. The peaks and troughs of this type of indicator generally occur from three to several months previous to the peak or trough in total business activity.

Coincidental Indicators - An economic series that tends to parallel the same general pattern of total business activity.

Selected Indicators - A cyclical time series whose true value as an economic indicator is not yet known.

Lagging Indicators - An economic series that tends to reverse direction (reach its peaks or troughs) some time after the total business pattern has changed.

Other Indicators - A statistical series that combines the cyclical changes of the other types of economic indicators. For example, personal income generally lags at the peaks, and leads at the troughs of total business activity.

Montana Composite Index - A composite of six leading indicators of employment and economic activity: Building Permits, Manufacturing Employment, Average Weekly Hours, Average Weekly Initial Claims, Accession Rate and Layoff Rate. A reverse trend has been used for Layoff Rate and Average Weekly Initial Claims. The components are converted to series of standardized changes and weighted according to their significance and reliability as economic indicators in making the composite. This composite index is not comparable to the U. S. composite index as published in "Business Conditions Digest", U. S. Department of Commerce.

Marginal Employment Adjustments Index - A composite of four leading indicators of employment changes or adjustments: Average Weekly Hours, Average Weekly Initial Claims, Layoff Rate, and Accession Rate. In producing the composite these components are seasonally adjusted, converted to series of standardized changes, and weighted according to their significance and reliability as economic indicators. This composite indicator tends to lead changes in the unemployment rate by approximately five months.

Labor Turnover - The movement of wage and salary workers in and out of employment status.

Accessions - All permanent or temporary additions to the employment rolls, which include new hires and other accessions.

New Hires - Permanent and temporary additions to employment rolls of persons who have never been employed by a specific reporting establishment. This includes former employees who have been rehired although not specifically recalled by the reporting employer.

Other Accessions - Additions to the employment rolls of transfers from other establishments of the same company; employees returning from military service or unpaid leaves of absence; employees specifically recalled by an employer.

Separations - The termination of employment of persons who quit, are laid off, discharged, retire, die, are inducted into the military for service exceeding 30 consecutive days, suffer physical disabilities, or are transferred to other divisions of the same company.

Quits - The termination of employment initiated by an employee for any reason other than retirement, transfer, or service in the Armed Forces.

Layoffs - Suspension from pay status of an employee, expected to last seven consecutive days. This action must be initiated by the employer without prejudice to the worker, for reasons such as lack of orders, model changeover, termination of seasonal employment, inventory-taking, plant breakdown, shortage of materials.

SERIES BREAK - Pages 9 and 11

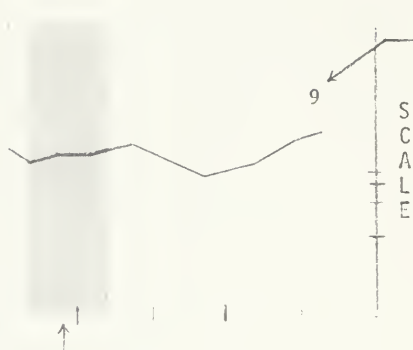
Beginning with January 1970, the following series, Montana Nonagricultural Employment Index, Montana Civilian Labor Force Index, Unemployment Rate, and Unemployment Total, were changed to reflect a change in the concept of measuring employment requested by the U. S. Department of Labor of all State Employment Security Agencies. The change was made to ensure comparability between states, and to make employment data published by this agency for Montana comparable to national labor force concepts. Civilian Labor Force series now reflect a count of employed and unemployed persons by place of residence (known as household data) rather than by place of work (known as establishment data). The years 1970, 1971, 1972, and 1973 were revised to the household concept and as a result data after January 1970 are not strictly comparable to data published earlier.

Conceptually, the difference between the old "Work Force" and the new "Labor Force" series is that the new series eliminates duplicate counting of multiple job holders, and persons who work in Montana but reside in another state. However, people who live in Montana but work elsewhere are included in the new "Labor Force" estimates.

Household and establishment data supplement one another and the Montana Employment Security Division will continue to publish establishment data for nonagricultural industries on employment, hours and earnings, labor turnover and job vacancy for those users who need this type of information.

APPENDIX II

KEY



Arabic numbers above graph lines indicate the last month of the year for which data have been plotted.

"A" indicates that scale is arithmetic.

"L1", "L2", or "L3" indicate a ratio (semilogarithmic) scale of 1, 2, or 3 decks respectively.

Shaded areas on the graph indicate recession periods in the United States as designated by the National Bureau of Economic Research.

Broken lines on graphs indicate that data is not available for that time period.

Montana's indicators have been classified into three types; Leading, Coinciding, and Selected. The classification of Montana's Leading and Coinciding Indicators parallels the Department of Commerce, Bureau of Economic Analysis classification. This has been done to facilitate an easier and more accurate comparison of individual indicators with those of the nation. (This classification, however, does not mean that the Montana Employment Service has endorsed any particular economic theory.)

Historical data available upon request.

EMPLOYMENT SECURITY DIVISION
DEPARTMENT OF LABOR AND INDUSTRY
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OFFICIAL BUSINESS

The Montana State Employment Service maintains 23 local employment offices in the principal cities of Montana. You are invited to call on any of these offices for assistance in filling positions in your organization, additional labor market information, and for other services in connection with your employment problems.